

Kleindienst Denies

Deal With ITT

WASHINGTON — (UPI) — Backed by the chief federal negotiator in the case, attorney general-designate Richard Kleindienst swore under oath today that the administration did not approve the largest merger in corporate history in exchange for a pledge of up to \$400,000 in contributions for the GOP national convention this year.

But Kleindienst, who insisted previously that neither he nor former Attorney General John Mitchell had been involved, acknowledged that he himself did help smooth the way for the out-of-court settlement with the International Telephone and Telegraph Corp. by holding four secret meetings with an ITT director.

Moreover, Kleindienst confirmed during a special hearing by the Senate Judiciary Committee that his talks with the ITT official took place while the head of the Justice Department's antitrust division, Richard McLaren, was seeking to work out the settlement that was made public last July.

McLaren, who resigned recently as assistant attor-

ney general to take a Federal judgeship in Chicago, also testified before the Senate committee.

He said neither Kleindienst nor Mitchell ever tried to influence him in the ITT case or any other one and that he would have resigned if they had, under an arrangement made in 1968 to rule out "political" settlement of antitrust cases.

The special committee session, arranged the day before by Chairman James Eastland (D-Miss.) at Kleindienst's request, followed charges by columnist Jack Anderson that the ITT settlement was linked to a promise from the firm to

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provide up to \$400,000 to underwrite the Republican convention next August in San Diego.

Anderson attended today's hearing but was not expected to testify until tomorrow.

Mitchell and ITT denied the allegations earlier in the week and Kleindienst asked to reappear before the Senate panel to answer Anderson's charge yesterday that Kleindienst had had several meetings with the ITT director, Felix Rohatyn.

Talks Confirmed

Although Kleindienst confirmed having those talks with Rohatyn, he told the committee that he "categorically and specifically" denied knowing at that time that ITT was planning to help the GOP finance the convention. Anderson, citing an alleged memo from ITT files, has charged that the agreement was discussed in May, 1971, by Mitchell and the ITT lobbyist in Washington.

The lobbyist, Mrs. Dita

Beard, referred in the alleged memo to a "\$400 thousand commitment" to the GOP by ITT and said it "has gone a long way toward our negotiations on the mergers eventually coming out as Hal (ITT President Harold Geneen) wants them."

Under the final settlement reached between the government and ITT, the company was permitted to retain control of the Hartford Fire Insurance Co. with estimated annual premiums of \$1 billion and part of a second newly acquired firm, Grinnell, Inc. That made the merger the largest of all time.

Separate Suits

However, ITT agreed also to set the record for stock divestiture by giving up control over the Canteen Corp., a large food vending firm; the Avis Rent-A-Car System; Levitt & Sons Inc., a home-building firm; two small insurance companies and the fire protection division of Grinnell.

In separate suits the government had sought beginning in mid-1969 to block



ACTING ATTORNEY GENERAL KLEINDIENST DOES THE POURING

ITT director Felix Rohatyn holds glass before testifying today

—AP Photo



COLUMNIST JACK ANDERSON ARRIVES
He carries attache case into Kleindienst hearing
—UPI Photo

ITT's acquisition of Hartford, Canteen and Grinnell on grounds that they violated anti-trust law by being in restraint of trade.

The Senate's Judiciary Committee voted last week by 13 to 0 to approve Kleindienst's nomination as attorney general and Chairman Eastland made clear that today's session did not constitute a re-opening of confirmation hearings. Approval by the full Senate had been expected shortly.